

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

Inline Connection Corporation,

Plaintiff,

v.

Verizon Internet Services, Inc., et al.,

Defendants.

Civil Action No. 05-866 (JJF)

Verizon Internet Services, Inc. and
Verizon Delaware, Inc.,

Counterclaim-Plaintiffs,

v.

Inline Connection Corporation;
Broadband Technology Innovations, LLC; and
Pie Squared LLC,

Counterclaim-Defendants.

Civil Action No. 05-866 (JJF)

VERIZON DEFENDANTS' RULE 7.1 DISCLOSURE STATEMENT

Pursuant to Federal Rule of Civil Procedure 7.1, Verizon Internet Services, Inc. ("VIS"), GTE.Net LLC d/b/a Verizon Internet Solutions ("GTE.Net"), Verizon Services Corp. ("Verizon Services"), Telesector Resources Group, Inc. ("TRG"), Verizon Corporate Services Group Inc. ("Verizon Corporate Services"), Verizon Advanced Data Inc. ("Verizon Advanced Data"), Verizon Avenue Corp. ("Verizon Avenue"), Verizon Delaware, Inc. ("Verizon Delaware") and GTE Southwest, Inc. ("Verizon Southwest") state:¹

¹ This Disclosure Statement is being submitted on behalf of all the Verizon Defendants not severed in connection with the December 5, 2005 transfer to this Court by the District Court for the Eastern District of Virginia, Norfolk Division.

1. VIS is a wholly-owned subsidiary of Bell Atlantic Entertainment and Information Services Group, Inc. Verizon Communications Inc. ("VCI"), a publicly held corporation, wholly owns Verizon Investments Inc., which wholly owns Bell Atlantic Investment Development Corporation, which wholly owns Bell Atlantic Entertainment and Information Services Group, Inc.

2. GTE.Net is a wholly-owned subsidiary of Verizon Technology Corp., which is wholly owned by GTE Corporation. VCI is directly the majority shareholder of GTE Corporation and, through its wholly-owned subsidiary, NYNEX Corporation, indirectly owns the balance of the stock of GTE Corporation.

3. Verizon Services is a wholly-owned subsidiary of VCI, a publicly held corporation.

4. TRG (d/b/a Verizon Services Group) is an indirectly wholly owned subsidiary of VCI. TRG is 50% owned by Verizon New York Inc. (a New York corporation) and 50% owned by Verizon New England Inc. (a New York corporation), both of which are wholly owned by NYNEX Corporation which is wholly owned by VCI, a publicly held corporation.

5. Verizon Corporate Services is a wholly owned subsidiary of GTE Corporation. VCI is directly the majority shareholder of GTE Corporation and, through its wholly-owned subsidiary, NYNEX Corporation, indirectly owns the balance of the stock of GTE Corporation.

6. Verizon Advanced Data is a wholly-owned subsidiary of VCI, a publicly held corporation.

7. Verizon Avenue is a wholly-owned subsidiary of Verizon Investments Inc. VCI, a publicly held corporation, wholly owns Verizon Investments Inc.

8. Verizon Delaware is a wholly owned subsidiary of VCI, a publicly held company.

9. Verizon Southwest is a wholly owned subsidiary of GTE Corporation. VCI is directly the majority shareholder of GTE Corporation and, through its wholly-owned subsidiary, NYNEX Corporation, indirectly owns the balance of the stock of GTE Corporation.

Respectfully submitted,

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Dated: April 7, 2006

Counsel for Verizon Defendants

CERTIFICATE OF SERVICE

I hereby certify that on the 7th day of April, 2006 a true copy of the *Verizon Defendants'*

Disclosure Statement was sent to plaintiff's counsel, in the manner indicated, upon:

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